

April 30, 1973

that we can predict much more accurately what the reduction is going to be and we can use up, if there is..to use as the word, a surplus. For each 1% we reduce the current income tax retroactive would mean a six or six and a half million dollar decrease in the taxes taken away from the people of the state. Now, we have heard three or four alternatives explored in discussion here and it seems to me that we, probably, want to go somewhat slow as we develop a consensus for the use of these alternatives. My figures would indicate that we have that 29 or 26.9 million. There is another 11+ million which is available. It's been designated as reserve. There is the 30 million in revenue sharing. There is some other odd income that's about to the point of 2.4 million. All of which could be used without affecting an increase in sales-income tax rates. Now, with that amount available, a portion of it is committed to previous appropriations particularly for sewer. A portion of it has to go for personal property tax exemption to be paid out. A portion of it could go for school in the way of state aid. A portion of it could go for capital construction, somewhere in the figures that have been mentioned, eighteen to twenty-one million, and there is the possibility of some in some use of, not too large a dollar amount, to make corrections, as I understand, that may be necessary or desirable or omissions in 259 and to get back to the motion that is pending, it seems to me those omissions, if there are some, could be corrected in that way. I would hope that we would take the position of the budget Committee who has had referred to them the various vehicles that will take care of the reappropriations of money, that is of contracts currently.. construction currently under contract. The reappropriations of unexpended balances were necessary. The capital constructions bill in total that will be authorized plus any other deficiency appropriations bill which I understand is necessary in some dollar amount. These are items which I think we ought to give the Budget Committee a few days to offer to the body some kind of a composite of recommendation as to how these fund could be used. But in answer to...back to your original question, it would seem to me that if a reduction is to be offered in tax rates, we've also explored the possibility of reducing sales tax concurrently or currently and that offers more problems both in the way of cash flows and the impact as far as the future is concerned but it seems to me that the relief could be provided at this point, an ample or adequate budget could still be provided to take care of the immediate state needs as well as having less harmful affect or potential harmful affect upon state services on appropriating periods beyond this year, in other words greater stability to the entire system. And this is, again, offered as only, as I see it, another one of the two or three or four alternatives which have been discussed here this morning..or this afternoon.

SPEAKER: Senator Lewis, I believe your ten minutes is about up.

SENATOR LEWIS: I'd like to clarify one point. When I said I was liberal I meant in interpretation of Rules.

SPEAKER: Senator Carpenter, do you wish the floor?

SENATOR CARPENTER: I have nothing more to say.

SPEAKER: Senator Warner, did you wish to be recognized?

SENATOR WARNER: Just briefly, Mr. President. Senator Barnett had asked Senator Marvel relative to 123 and I was just